

GOVERNMENTAL OPERATIONS

Agency 195

Liquor and Cannabis Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	341.0	82,925	82,925
Supplemental Changes			
Additional Salary Adjustments		587	587
State Network Costs		52	52
Shift I-502 Implementation Costs			
One-Time Implementation Savings		(587)	(587)
Workers' Compensation Changes		114	114
Audit Services		(24)	(24)
Legal Services		913	913
Administrative Hearings		387	387
CTS Central Services		25	25
Time, Leave and Attendance System		13	13
Self-Insurance Liability Premium		(9)	(9)
Subtotal - Supplemental Changes		1,471	1,471
Total Proposed Budget	341.0	84,396	84,396
Difference		1,471	1,471
Percent Change	0.0%	1.8%	1.8%

SUPPLEMENTAL CHANGES

Additional Salary Adjustments

The 2015-17 operating budget funded new positions needed to implement cannabis-related legislation and an expansion of beer and cider sales in grocery stores. This funding did not reflect the cost of targeted salary adjustments approved in collective bargaining agreements. Funding is provided to pay for these adjustments. (Liquor Revolving Account-State, Dedicated Marijuana Account-State)

State Network Costs

In the 2013-15 biennium, Consolidated Technology Services (CTS) used a consumption-based cost model for state network charges. During this period the Liquor and Cannabis Board (LCB) reduced its state network costs by purchasing fewer services. For the 2015-17 operating budget, the LCB submitted an information technology reduction package based on the savings it achieved. These savings are assumed in the budget. However, for the 2015-17 biennium, CTS adopted a cost allocation model for state network charges. This new model increased LCB's network costs beyond what is assumed in the budget. Funding is provided for the increased network charges. (Liquor Revolving Account-State)

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Shift I-502 Implementation Costs

This item shifts initial Initiative 502 implementation costs that were charged to the Liquor Revolving Account to the Dedicated Marijuana Account. This is a net-zero change. (Liquor Revolving Account-State, Dedicated Marijuana Account-State)

One-Time Implementation Savings

The 2015-17 operating budget funded new positions needed to implement cannabis-related legislation and an expansion of beer and cider sales in grocery stores. Due to a slower than assumed hiring schedule and other funding assumptions, the LCB will achieve a one-time savings of \$587,000. (Liquor Revolving Account-State, Dedicated Marijuana Account-State)

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

Administrative Hearings

The agency's budget is adjusted to reflect updated estimates of expected usage of the Office of Administrative Hearings services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)